

From: steve barlow <sbarlow@fossaltd.com>
Subject: Re: Fossa and our partnership
Date: August 25, 2015 at 5:13:59 PM EDT
To: I Jian Lin <ijianlin07@gmail.com>, I Jian Lin <ilin@fossaltd.com>
Cc: Hadley Pollet <hadley@hadleypollet.com>

I Jian:

Thanks for sharing your thoughts. Simply put I continue to pour money into Fossa beyond the repayment. I am managing my personal risk by asking the company to generate revenue for sales already made and committed to. I am not cutting off Iceland but I am being careful to spend only what we “need” to in order to collect the horns. There is plenty of money, it is just being throttled on how you can spend it over the next 2 to 3 months. Once we get paid on the horns sitting in our warehouse the flood gates will open again.

The next 2 to 3 months will be difficult in Iceland for sure. But I am confident that when we return with ample cash the opportunities will open up again. We expected to be shipping product in the beginning of September and then throughout. I expected to see cash flow in September and relieve me from being the bank. I have cash, its just when and how I choose to invest it. In the height of things my debts to Fossa were above \$400k. There is simply no reason for this to happen again with and order \$980k sitting in our warehouse and more beyond that.

On the matters with Sonya. We can no longer run this business in the ways you are accustomed. For an entire year you have been allowed to spend freely without any systems in place to monitor and report according accepted accounting methodologies. This is a company and not a sole

proprietorship. With that comes accepted rules, regulations and processes. There are legal ramifications and tax ramifications for how we run this company. If we don't adhere we are both at risk - and I am not willing to take those risks. Especially since our company is offshore. What is being asked of you is standard practice and ordinary, but unfortunately you are not used to the process and choose to challenge it. My advice is to not fight it and learn to work within the rules, and then the issue will be behind us. Also, when the company is self reliant and supported fully by its own income we can revisit how we deal with certain processes, but for now I am protecting my cash investment.

Companies are fluid entities and things change. Embrace the change of getting our act together and it will serve everything going forward. Embrace the change impacted by our crisis to ship product to PFX and many of the pressures and disappointments you feel will be lifted. Change is good, embrace it.

Finally, not to beat a dead horse, but all we need to do is ship 100k of horns and life will be good again. Thanks.

Regards,

Steve

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On Aug 25, 2015, at 11:45 AM, I Jian Lin <ijianlin07@gmail.com> wrote:

Dear Steve, I have been trying to reach out to you for couple weeks now. Thank you for explaining to me in Chicago about your divorce process and the sale of property to ensure there is no funding issues.

However, Fossa ehf is in pain and so am I. We need to ensure continuity and instill confidence and stability in Iceland. This fund is desperately needed for a month now, Labor department will come down on us soon for the salary, we need to deploy all containers to all locations next Monday and can not negotiate or execute agreements and plans without paying off the past due. Transportation container to Hanna needs to be paid. In addition, past due cash payments are also needed to move things forward. Promises have been broken or discontinued, plans have been stalled, and strategies misaligned, timing missed, the schedule has shifted, confidence shattered, loyalty betrayed, and credibility seriously compromised. All are deadly ingredients to kill our operation in the society of Iceland.

You have always told me that we are partners and more importantly we are family. If you are the head of the Fossa State, then I am the chief of staff General who is fighting at the front line on the daily basis, you want me to win the first battle, I did it for you with whatever we had and whatever it takes for the State of Fossa - you even got all the money back first! Now we need to win the war by locking up the entire country of production, I am back at the frontline to achieve the mission facing constant shifting parts and various motivations for slaughterhouses and vendors. I am constantly getting fired at from all directions and at times, I do not even know the size of enemy or what kinds of weapons they have, all I know is this phase of project is probably the most critical milestone of the entire venture. Now you placed a book keeper to manage me like a 5 year old and require every five shots I fire will need permissions, and approval to fire the additional shot when being attacked from all sides. On top of that, I am constantly being questioned and doubted about my ability and credentials to make decision like an inexperienced intern. - "you have over shot too many bullets in that return fire, and it should only take 3 shots and not 5 shots", and "you forgot to ask the name of the enemy while returning fire so you will not get more bullets for the next fight". Based on what context? She was not at the front line for over 5 years learning and facing all the challenges and underbelly structures of slaughterhouse industry in Iceland?! Sonya came out of nowhere in the middle of my last trip. I was conducting what I was told to achieve without worries. Not only that she came with a rule book that I was never consulted or agreed to, she is creating work and complicating current strategy and lives (except yours). Steve, I thought we are partners?

There were numbers of times you have stop or changed your mind on our plans during the year of trial, testing, begging, negotiating, and all the hand to hand combats... Even with that, I simply had to do whatever it takes to bring you the goods and get your money back. Negotiating with suppliers, motivate workers to step outside of call of duties and perform to our standards, setting up productions, search and install equipments, fabricating tools to save money, running operations in Iceland and sales efforts in USA, facing day to day combat at the frontline and navigate policies and international requirements for certifications in order to be the first entity to bring in Lamb horns into USA.

Steve, I know you understand that It did not just happen by it self, I am not a 5 year old kid who never ran a enterprise or taken company public, I have done this many many times. I have accountants and book keepers as well as accounting firms and law firms to realize those IPOs, went through the process intimately, and ultimately built successful brands and achieve best possible shareholder values and ROI for those companies. I am not a child or green to this. I know what is required and what is not.

When I brought you the idea of horns and treats, I had five years of research, analysis, and understanding of the business already due to Murr, of how this would need to run to be a successful business and certainly a high profitable venture for the return of your investment. I have been founding member of many companies and on the board of many, and I never have to answer or report to a book keeper for permission of how to operate, justifying existence. My understanding and experiences have always been that they are helping and not creating work for themselves and complicating the mission. **They make it work not make work.**

You have told me many times "dude, don't worry about the funding, just think how profitable this business will be" "dude, do the math, it's a good business model, I will not stop supporting this"... Then you told me to find money once and actually stall spending a couple times but demanded output and sales to realize the return of your money.

We did both. Got the two containers out of Iceland and you got paid first with all of funds. I did this not with magic, rather if you only know what I went through to realize this - towards the end critical point you denied additional workers but demand additional output. We were facing the end of the rental facility agreement but managed to extend to cover just enough time to apply and certified by MAST to be legit for health certification to export the goods. Additional workers, long hours, personal favors, greasing the system... were the mechanism that pulled this task off at the end of season. What matters is that It got done, we sold the order and you got paid.

We have our first wholesale partner now and continue to pursue the next few.

Again, you told me that you are willing to supply the funds to realize this year's mission, I asked you over and over and you promised me not to worry. Every Time when there is a change of mind or stalling of funding, I go into deep stress and depression trying to figure it how to continue the mission without disturbing the confidence and transferring the fear of instability onto our team in Iceland and partners we desperately need to have confidence and trust in us.

Now I set out to launch the brand, as requested by you, I hired trusted people to help and deploy marketing and creative programs to build this brand both for PFX and ourselves. Fossa will have more than just lamb horns, it's a mission and not a product, IcelandicPURE+ is only a part of that mission. Both requires attention and support to pull off. I don't have any confidence that any of them are going to get paid. Facing uncertainty. Steve, you've squeeze me too hard this time and I am about to crack and breakdown, as a founding partner and your friend (at least I believe so) I am asking you directly: "Why"?

Why Steve? I would never do any of this to you. Or allow such insult on you. In a way, it's an insult to our partnership.

I have stopped sleeping, am carrying a tremendous amount of stress and it has overcome and rendered me with illness this week. Everyone is shaken, my family, Hadley, friends and Icelandic partners and vendors. Everyone senses something is wrong. Steve, things are not the same anymore, I know you know.

I am giving this hope to improve or change and unfortunately it is not up to me as a partner of yours.

Steve, what do you want me to do?

Sent from my iPhone
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